

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 - 0 1 4

2. STATE:

Vermont

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

SSA Section 1902(r)(2)

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ (125,000)+/-

b. FFY 2003 \$ (500,000)+/-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supp. 8b to Att. 2.6-A page 2

Supp. 10 to Att. 2.6-A page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Supp. 8b to Att. 2.6-A page 2 (00-01)

Supp. 10 to Att. 2.6-A page 1 (95-06)

10. SUBJECT OF AMENDMENT:

Resource exclusions for SSI-Related Medicaid

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

*Secretary of Administration*  
☒ OTHER, AS SPECIFIED: *for Governor*  
*Harleen C. Haef*

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

M. Jane Kitchel

14. TITLE:

Secretary, Agency of Human Services

15. DATE SUBMITTED:

9/30/02

16. RETURN TO:

Roxanne Doty  
VT Dept. of PATH  
103 South Main Street  
Waterbury, VT 05671-1201

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

September 30, 2002

18. DATE APPROVED:

May 7, 2003

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

*Richard R. McGreal*

21. TYPED NAME:

Richard R. McGreal

22. TITLE:

Acting Associate Regional Administrator, DMCH

23. REMARKS:

*Vermont (02-014)*  
*Approved: 05/07/03*  
*Effective: 07/01/02*

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: VERMONT

**MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER SECTION 1902(r)(2) OF THE ACT (CONTINUED)**

SSI-related Medicaid (aged, blind and disabled individuals including individuals who are described at 1902(a)(10)(A)(ii), 1902(a)(10)(C)(i)(III) and 1905(p) of the Social Security Act who are not receiving SSI/AABD cash assistance or deemed to be cash assistance recipients.

1. Non exempt real property which is up for sale is excluded as long as owners verify that they are making reasonable efforts to sell it.
2. No limit is placed on the value of household goods and personal effects.
3. Automobiles of any value are excluded.
4. No limit is placed on the equity value of property used to produce goods for home consumption.
5. Life estates in real property are excluded when the owner does not retain the power to sell the real property.
6. Separately identifiable burial funds, designated for burial expenses, either singly or in combination, are exempt in an amount not to exceed \$10,000. The burial funds must be designated by the title of the fund or by sworn statement provided to the department. The burial funds in conjunction with the irrevocable burial trust referenced in Supplement 10 to Attachment 2.6-A, page 1, last paragraph, cannot exceed \$10,000 in total.
7. Annuities are an exempt resource if created more than 36 months before application.

\* For qualified children eligible (using AFDC income and asset requirements) under 1902(a)(10)(A)(i)(III):

- (1) Disregard all assets.

\* BBA Work Incentived Eligibility Group (1902(a)(10)(A)(ii)(XIII)):

- Savings from excluded income are excluded.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Vermont

The agency does not apply the trust provisions in any case in which the agency determines that such an application would work an undue hardship.

The following criteria will be used to determine whether the agency will not count assets transferred because doing so would work an undue hardship:

Undue hardship includes situations where the individual would be forced to go without life-sustaining services because the trust funds could not be made available to pay for the services.

Undue hardship also exists if funds can be made available for medical care only if assets are sold, and these assets are the sole source of income for the individual's immediate family. Such income-producing assets include a family farm or other family business. Immediate family is defined as spouse, parents, children, or siblings.

Undue hardship also exists if sale of the income-producing assets would result in the immediate family seeking public assistance.

Undue hardship also includes situations where a trust has been established with awards paid to disabled children under the Zebley decision.

Undue hardship may be found at a similar degree of impact in other circumstances as well, upon the agreement of the District Director.

Under the state's undue hardship provisions, the agency exempts the funds in an irrevocable burial trust. A maximum value of the exemption for an irrevocable burial trust, established prior to July 1, 2002, is not limited. Irrevocable burial trusts established on or after July 1, 2002 are exempt up to \$10,000. This language is to be read in conjunction with Supplement 8b to Attachment 2.6-A, page 2, paragraph 6 and it is not intended to provide an additional exemption beyond \$10,000.